

The Relationships between Information Seeking and Retirement Savings

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Seeking information about retirement planning will benefit consumers, helping them make informed decisions concerning retirement. The purpose of this study was to examine factors that affect non-retired working-age (25 years and older) women's retirement savings in personal savings and investments. An online survey instrument was developed to obtain data for the study. Data for this study were collected from a national population with 591 valid responses. Descriptive statistics were used to provide a profile of the participants, and standard multiple regression was used to assess the impact of a set of predictors on retirement savings.

Typical respondents were non-Hispanic White (89%) working women (either full-time or part-time) (86%), with an average age of 48, at least 3 years of college, good health, homeowner (70%), personal annual income between \$45,000 and \$54,999, and household annual income between \$75,000 and \$84,999. Half of them (51%) were married. The average retirement savings in personal investments and savings was in the bracket of \$25,000 to \$49,999. Most of the respondents (82%) read their Social Security statement, 41% read their federal employee benefits statement, and 13% read their employer-provided defined benefit (DB) pension statement. For the sources of information used to learn about retirement planning, 16.2% of respondents reported not using any source. The information sources used by women were: discussion with friends and/or relatives (53.1%), the Internet (51.4%), information from my financial advisor(s) (39.8%), training sessions provided by my employer (24.5%), magazines (22.3%), newspapers (20.3%), books (19%), television (18.4%), seminars led by financial professionals (18.1%), radio (9.8%), a course (either for credit or non-credit) (9.3%), and other (1.4%).

About 41.2% of total variance in Retirement Savings in Personal Savings and Investments was accounted for by the independent variables ($R^2 = .412$, $F(25, 591) = 15.843$, $p < .001$). Based on the standardized regression coefficient of each variable, the effect of age, household income, household size, homeownership, discussions with friends/relatives, information from my financial advisor(s), and read pension statement had statistically significant relationships with retirement savings in personal savings and investments. Those women who were older, had greater household income, were a homeowner, got retirement planning information from financial advisor(s), and read DB pension statement were more likely to report having more retirement savings in personal savings and investments for retirement. On the contrary, those women who had a bigger family and discussed retirement planning with friends/relatives were less likely to report having more retirement savings in personal savings and investments.

From the findings, we know if the women discuss retirement planning with friends/relatives, they do not put much money into personal saving and investment accounts for retirement. They probably get incorrect and/or insufficient information, may not consider the profile differences between themselves and friends/relatives that mean they need to take different actions or they only discuss without taking action. Financial advisor's advice does help improve female customers' retirement savings. When financial professionals reach married male clients, they can also encourage the client to invite his wife to join the counseling.

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